

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

**Jones Hall, A Professional Law Corporation
650 California Street, 18th Floor
San Francisco, California 94108
Attention: Stephen G. Melikian, Esq.**

THIRD AMENDMENT TO SUBLEASE

Dated as of March 1, 2011

by and between

**CITY OF SAN JOSE FINANCING AUTHORITY,
as Sublessor**

and

**CITY OF SAN JOSE,
as Sublessee**

NO DOCUMENTARY TRANSFER TAX DUE. This Third Amendment to Sublease is recorded for the benefit of the City of San José and the recording is exempt under Section 27383 of the California Government Code and Section 11928 of the California Revenue and Taxation Code.

THIRD AMENDMENT TO SUBLEASE

This THIRD AMENDMENT TO SUBLEASE, dated as of March 1, 2011 (the "Third Amendment to Sublease"), is entered into by and between the CITY OF SAN JOSE FINANCING AUTHORITY (the "Authority"), a joint powers authority formed under the laws of the State of California, as sublessor, and the CITY OF SAN JOSE (the "City"), a charter city and municipal corporation duly organized and existing under the laws and Constitution of the State of California, as Sublessee.

RECITALS

WHEREAS, the City and the Authority have entered into a Sublease dated as of January 1, 2004 and recorded on January 27, 2004 as document number 17587105 in the Office of the Recorder of the County of Santa Clara, as amended by the First Amendment to Sublease dated as of June 1, 2005 and recorded on June 24, 2005 as document number 18439696 in the Office of the Recorder of the County of Santa Clara and the Second Amendment to Sublease dated as of November 1, 2005 and recorded on November 16, 2005 as document number 18679750 in the Office of the Recorder of the County of Santa Clara (collectively, as further amended hereby, the "Sublease"); and

WHEREAS, pursuant to Section 7.02 of the Amended and Restated Trust Agreement dated as of June 1, 2005, as amended by the First Supplement to Amended and Restated Trust Agreement dated as of November 1, 2005, the Second Supplement to Amended and Restated Trust Agreement dated as of October 1, 2008 and the Third Supplement to Amended and Restated Trust Agreement dated as of April 1, 2010 (collectively, as it may be further amended, supplemented, revised or modified from time to time the "Trust Agreement"), each by and between the Authority and Wells Fargo Bank, National Association, as trustee, and Section 7.2 of the Sublease (as defined in the Trust Agreement), the City and the Authority desire to enter into this Third Amendment to Sublease in order to amend the Sublease to substitute certain real property and the additions thereto for certain of the Components (as defined in the Sublease) that currently constitute a portion of the Property (as defined in the Sublease);

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

AGREEMENT

SECTION 1. Amendment Relating to Substitution of Components. The parcels identified in Exhibit A attached hereto shall replace Exhibit A to the Sublease, and references to the Property in the Sublease shall be hereafter be deemed to be references to the parcels described in Exhibit A hereto, together with all improvements thereon. The parcels identified in Exhibit B hereto, together with all improvements thereon, are hereby released from the Sublease, and the City will no longer have any right of possession under the Sublease with respect to the parcels identified on Exhibit B.

SECTION 2. Leasing of Property. The Authority hereby leases to the City, and the City hereby leases from the Authority, the parcels identified on Exhibit A hereto.

SECTION 3. Amendment of Base Rental Payment Schedule. Exhibit B to the Original Sublease is hereby replaced in its entirety by Exhibit C hereto.

SECTION 4. Authority. This Third Amendment is being executed pursuant to and in accordance with Section 7.02 of the Trust Agreement and Section 7.2 of the Sublease.

SECTION 5. Effectiveness. Other than as heretofore amended and as amended hereby, the Sublease shall remain in full force and effect. This Third Amendment shall become effective upon the recordation hereof in the Official Records of the Santa Clara County Recorder inasmuch as the requirements set forth in Section 7.02(b) of the Trust Agreement have been met.

IN WITNESS WHEREOF, the City and the Authority have caused this Third Amendment to Sublease to be executed by their respective officers thereunto duly authorized, all as of the date and year first above written.

CITY OF SAN JOSE FINANCING
AUTHORITY

By: _____
Assistant Director of Finance of the City of
San José

Attest:

By: _____
Secretary

CITY OF SAN JOSE

By: _____
Assistant Director of Finance

Attest:

By: _____
City Clerk

APPROVED AS TO FORM:
Richard Doyle
City Attorney

By: _____
Chief Deputy City Attorney

EXHIBIT A

[Components Subject to the Sublease]

EXHIBIT B

[Components Released from the Sublease]

EXHIBIT C

[Revised Base Rental Schedule]